

# ASX ANNOUNCEMENT



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## COMPANY PRESENTATION 2015 Australian Copper Conference, Brisbane

### DETAILS OF ANNOUNCEMENT

Please find attached a copy of a presentation to be made by the Technical Director, Mr Simon Dorling at the 2015 Australian Copper Conference in Brisbane.

For and on behalf of the Board

Yours sincerely

Ian Pamensky  
**Company Secretary**

### About Regal

Regal Resources Limited is a minerals company focused on the identification, acquisition, development and operation of high-grade copper and cobalt projects in the World Class Katangan Copperbelt of the Democratic Republic of Congo (DRC).

The Company has a 30% interest in Kalongwe Mining SA ("KM") that owns the Kalongwe deposit (PR12198) where a near surface oxide JORC resource of 302,000t contained copper and 42,000t contained cobalt, with an average copper grade of Cu of 2.71% Cu, has been delineated.

The results of a recently completed Scoping Study to assess viability of developing an open pit mining operation at Kalongwe have indicated that the Project economics are very robust:

### Key Outcomes of Scoping Study

<i>Project Net Present Value (NPV @ 10% discount rate) Cu price US\$3/lb</i>	US\$77.9 million
<i>Project Internal Rate of Return (IRR)</i>	81%
<i>Payback</i>	13 months
<i>Capital Cost to Initial Production</i>	US\$38.9 million
<i>Operating Costs (per pound ("lb") Cu payable)</i>	US\$1.01 per lb (US\$1.38 per lb with transport costs included)

Regal is at an advanced stage in negotiations to seek to increase its interest in KM to 60% and as the operator of the JV is focused on fast tracking the development of a mining operation at Kalongwe.

The Company has also entered into a joint venture with Ivanhoe Mines to earn up to a 98% interest in a package of highly prospective permits covering an area of 350sq km and largely contiguous with Kalongwe permit.

An aggressive exploration programme is planned to focus on high priority targets identified in the Ivanhoe Mines JV permits that have the potential to support future growth of the Company.



## **CENTRAL AFRICAN COPPERBELT EXPLORER AND DEVELOPER**

**A COMPELLING INVESTMENT OPPORTUNITY  
LOW COST ENTRY TO A HIGH LEVERAGE OPPORTUNITY**

June 2015



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# Forward-looking and Cautionary Statements



The Scoping Study (the "Study") referred to in this presentation is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Study will be realised.

This document contains statements that are "forward-looking". Generally, the words "expect," "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward-looking statements.

Statements in this document regarding the Regal Resources Limited's (the "Company") business or proposed business, which are not historical facts, are "forward looking" statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

# Why focus on the African Copperbelt

- The Copperbelt is one of the *world's greatest Copper-Cobalt mining provinces*.
- *Produced more than 10%* of world supply of copper in 2014.
- DRC “**Top 10**” producer of copper.
- *World-class Cu mines* being developed.
- *High-grade sediment hosted* copper deposits – average of 2.50 – 5.00% Cu.
- Vastly under-explored, *high discovery potential* of world class mineral deposits.





# Flagship Project – Kalongwe Deposit

## Overview

- **High-grade outcropping Cu-Co mineralisation** with significant exploration upside.
- **Controlling Interest** acquired by Regal and Traxys in November 2013.
- First JV drill programme in February 2014.
- Delivered two **JORC Mineral Resource Estimates & Scoping Study** completed in April 2015.
- **On track to develop** a mine at Kalongwe producing 25,000t Cu per annum.

### Notes:

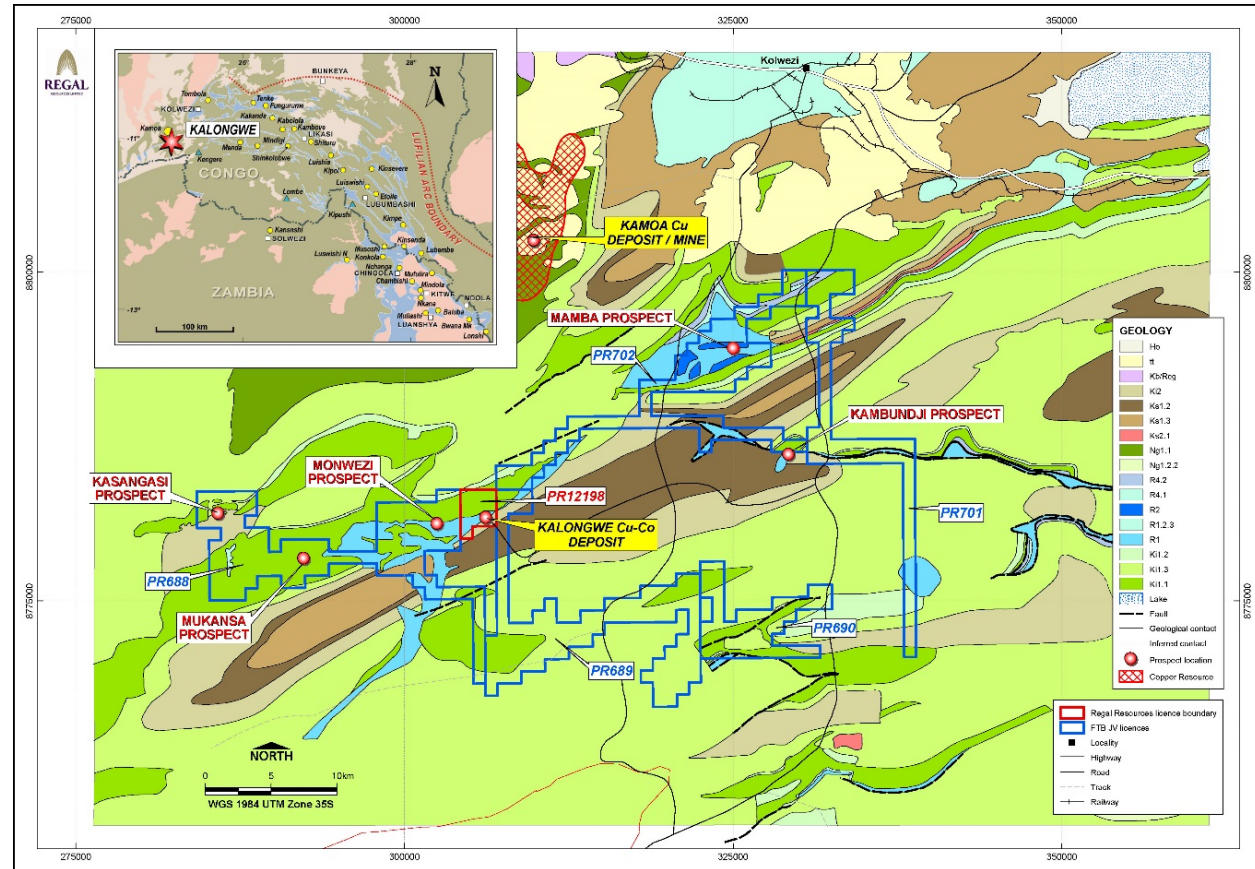
- *Regal Resources responsible for managing exploration activities.*
- *Exploration and development costs co-funded by Regal and Traxys.*
- *Advanced level of negotiations to acquire Traxys' 30% in the project.*
- *Under terms of agreement right to acquire additional 20% in the project at BFS.*



# Upside – Strong Project Pipeline

## Overview

- Entered in to JV with **Ivanhoe Mines**
- Portfolio covers over **350km<sup>2</sup>** of **highly prospective ground** over Roan Fm sediments.
- **Multiple drill ready targets identified by Ivanhoe** in other permits.
- **Several artisanal workings** not yet investigated
- **Potential** to build substantial **resource base** to support long term mine life.

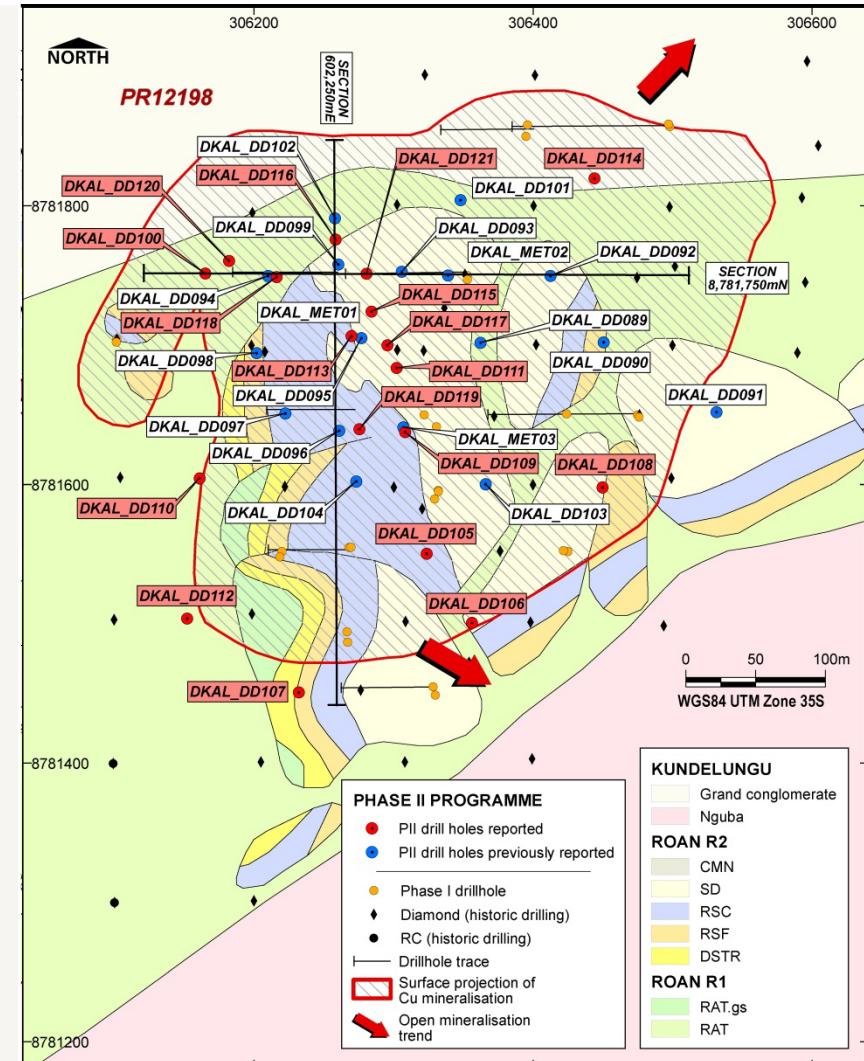




# Kalongwe Deposit

- **Total 46 (11 + 35) diamond drill holes** for ~6,200m at very competitive drilling rates.
- **Reduced drill hole spacing** from 100 x 100m to 50 x 50m, locally 25 x 25m.
- High level of confidence in grade and geological continuity.
- Twin holes validated successfully historic drilling.
- Phase II Drill Results:

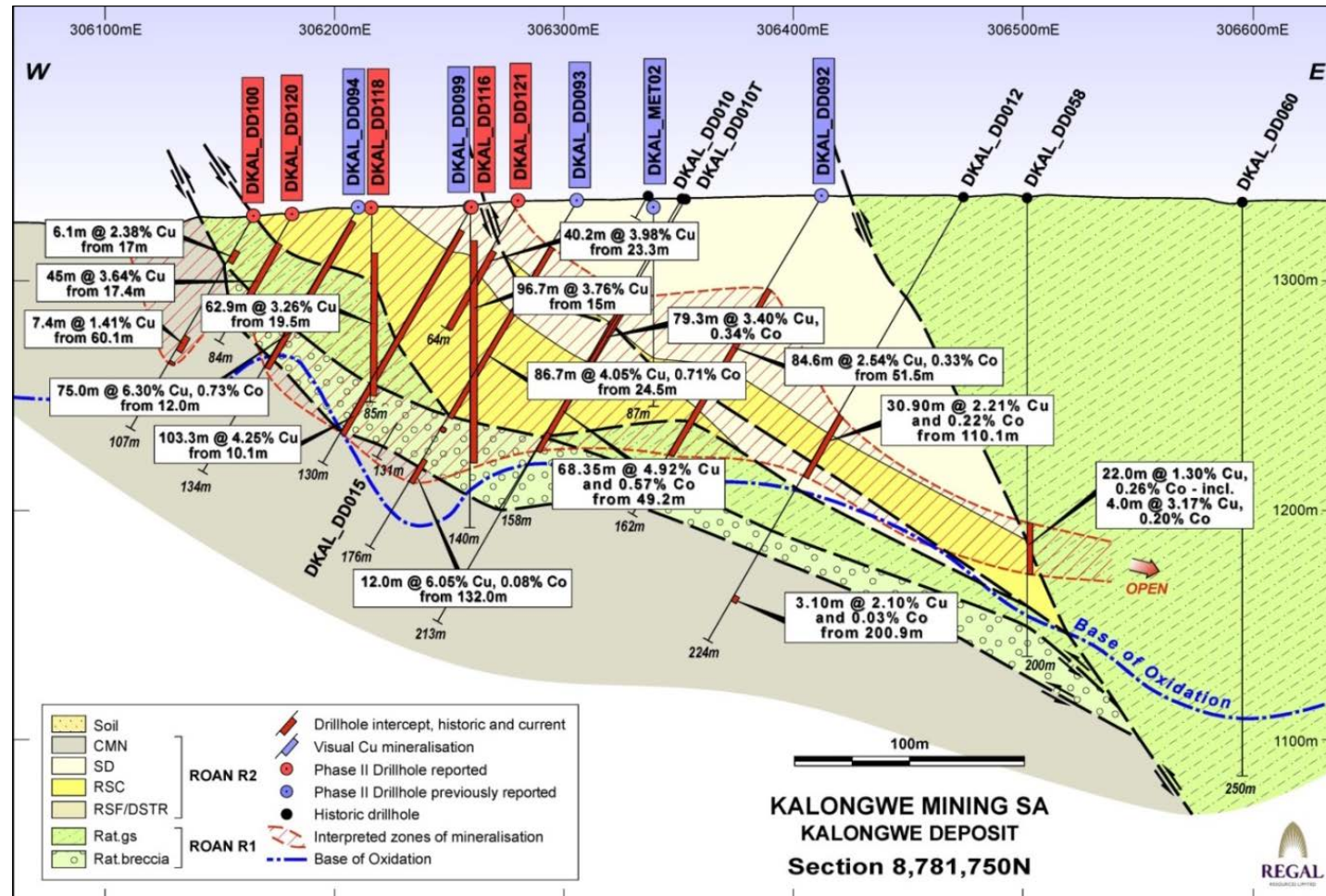
101.3m @ 4.25% Cu & 0.42% Co from 10.1m  
 57.30m @ 4.58% Cu & 0.62% Co from 3.80m  
 96.70m @ 3.76% Cu & 0.53% Co from 15.0m  
 92.10m @ 5.24% Cu & 0.55% Co from 21.0m  
 87.50m @ 3.35% Cu & 0.37% Co from 48.3m  
 80.50m @ 4.27% Cu & 0.76% Co from 25.7m  
 75.00m @ 6.30% Cu & 0.73% Co from 12.0m  
 69.00m @ 5.29% Cu & 0.77% Co from 5.50m  
 68.20m @ 3.98% Cu & 0.53% Co from 6.00m  
 62.90m @ 3.26% Cu & 0.43% Co from 19.5m





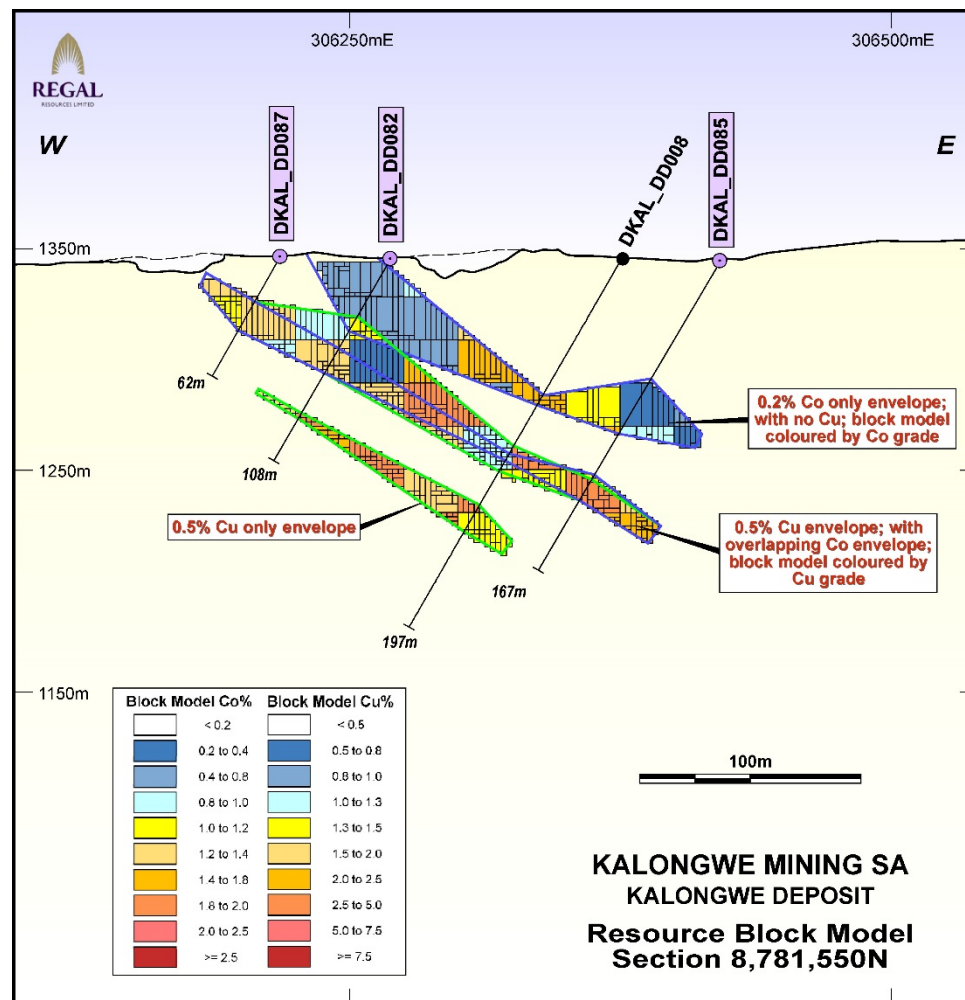
# Kalongwe Project

- Host is the Lower Roan Stratigraphy.
- Multiple thick, high-grade intersections.
- Good continuity between holes.
- High-grade mineralisation through structural overprint.
- Mineralisation open at depth and down plunge.
- Depth of oxidation to ~150m.



# Kalongwe Project

- Stacked ore lenses
- Near-surface high-grade Co mineralisation
- Mixed Cu-Co mineralisation
- Cu-only mineralisation at depth
- Mineral Resource Reported on Cu mineralisation



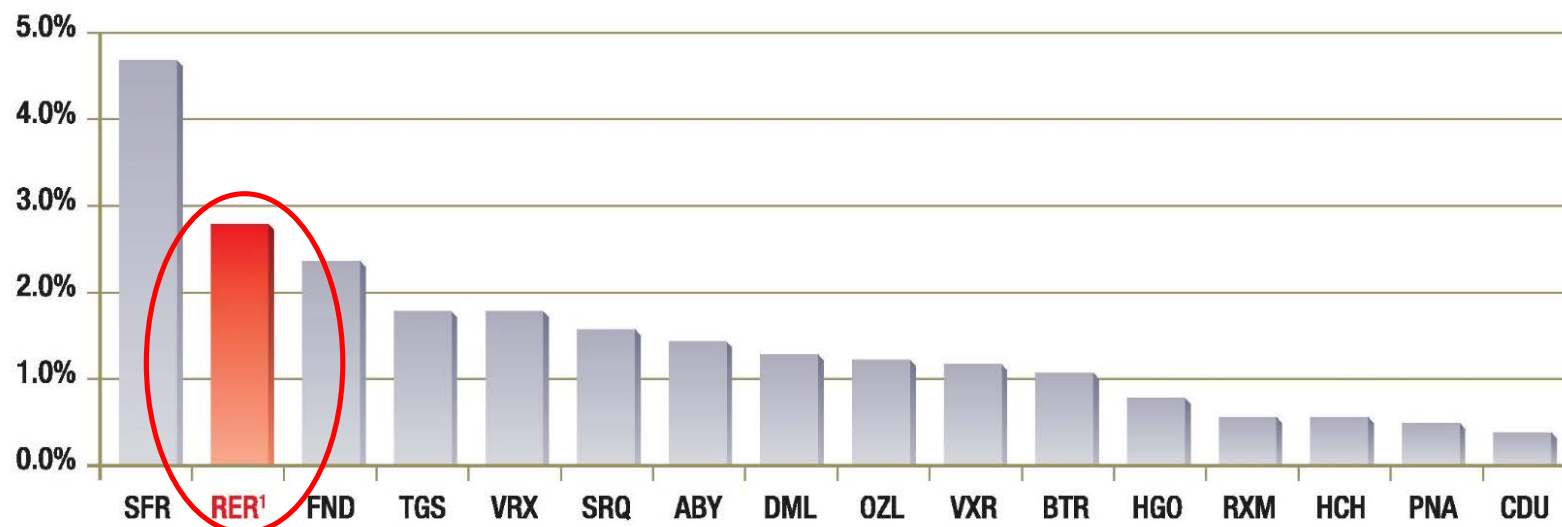
# Revised Re-Classified JORC Resource<sup>1,2,3,4</sup>

- Data from ~98 drill holes (~16,000m; between 2006/2007 and 2014/2015 at 50 x 50m and 25 x 25m spacing).
- Broad zones of high-grade Cu-Co extend down dip from surface exposure.
- High-grade Co zones inside the Cu resource.
- Predominantly malachite, deep base of oxidation.

Domain	Measured	Indicated	Inferred	Total Tonnage (Mt)	Ave. Cu (%)	Ave. Co (%)	Tonnes Cu	Tonnes Co
<b>Total Cu<sup>3</sup> &amp; Co Domains</b>	<b>3.31Mt @ 3.61 % Cu</b>	<b>5.83Mt @ 2.55 % Cu</b>	<b>2.03Mt @ 1.70% Cu</b>	<b>11.17</b>	<b>2.70</b>	<b>0.27</b>	<b>302,000</b>	<b>29,700</b>
<b>~80% oxide ore</b>								
<b>Total Co<sup>4</sup> Domains</b>	<b>0.37Mt @ 0.66% Co</b>	<b>1.52Mt @ 0.58% Co</b>	<b>0.40Mt @ 0.43% Co</b>	<b>2.29</b>	<b>-</b>	<b>0.57</b>	<b>-</b>	<b>13,000</b>

1. Cu only domains were reported by selecting blocks with Cu  $\geq$  0.5%.
2. Co only domains were reported by selecting blocks with Co  $\geq$  0.2%.
3. Mixed domains (blocks located within overlapping Cu and Co domains) were reported by selecting blocks with Cu  $\geq$  0.5%. The Co grade from these blocks was also recorded.
4. It is assumed for the purposes of this Mineral Resource that Cu grades in the Co only domains, and Co grades in the Cu only domains are 0%, although low grade mineralisation was recorded in sample assays. Therefore Cu and Co grades are diluted.

# High Grade Drives Project Economics



1. Measured, Indicated and Inferred Mineral Resource totals 11.17Mt @ 2.70% Cu (0.5% Cu cut off) including 29.700t Co  
(ASX Announcement 5 Feb 15 - Upgraded JORC Resource at Kalongwe)  
(Source: Finders Resources - Company Presentation - Feb 2015)



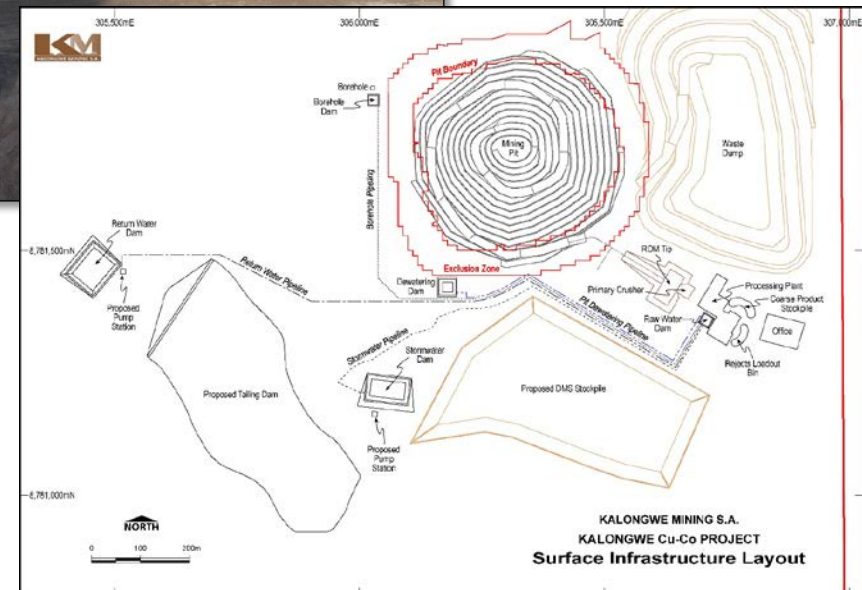
# Mine Design and Layout



Mine Design

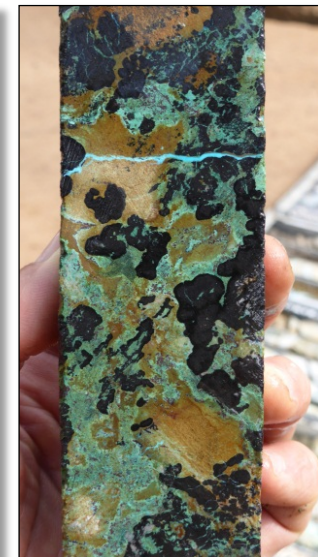
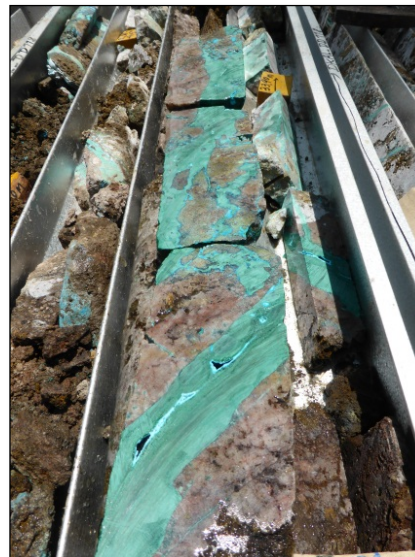
\* Comparable operation (with permission from Tiger Resources)

- Open Pit.
- Low Strip Ratio.
- Three months pre-production ramp-up.
- Mining Contractors.



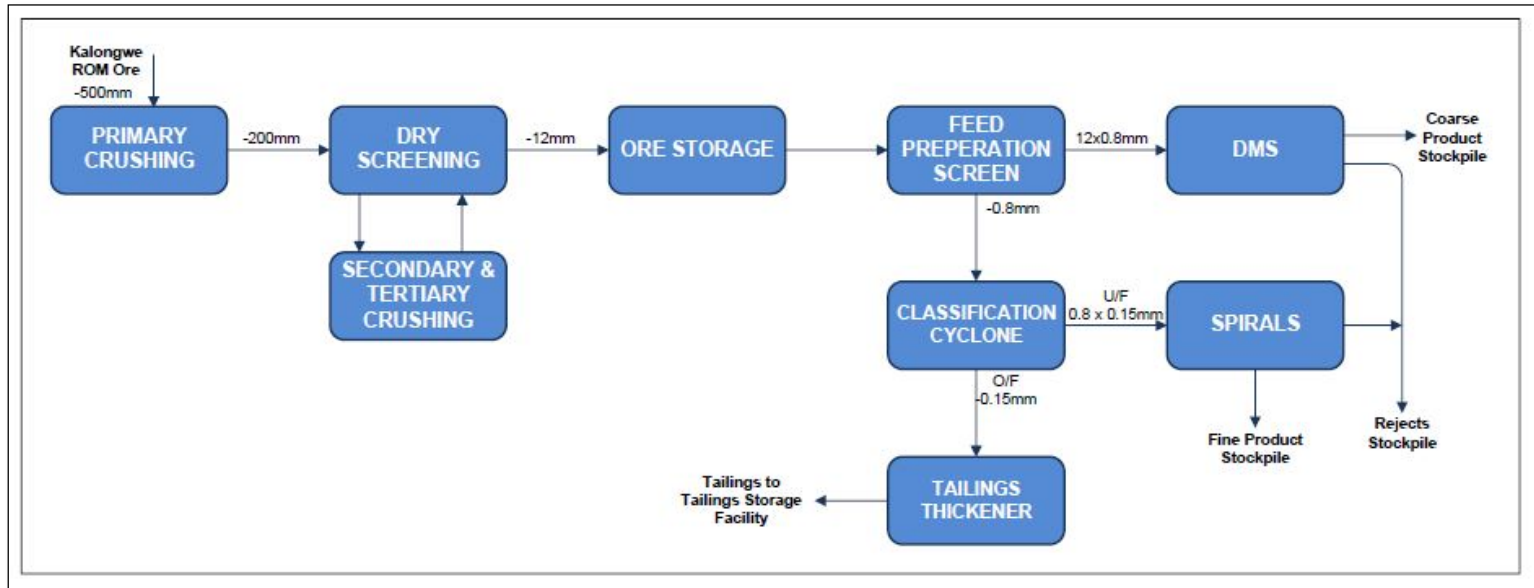
# Oxide Ore Suited for Upgrading by HMS

- Cu oxide mineralisation ***pre-dominantly*** occurs in form of ***coarse/blocky malachite***.
- Metallurgical testwork indicates Cu ore amenable to be ***upgraded by commercial HMS plant and spirals*** to produce ***+20% Cu concentrate***.
- ***Form of malachite expected to respond well to crushing – good separation from gangue - better upgrade.***
- ***Low level of slimes*** generated – improved recovery rates. ***Anticipated recovery +65%.***
- Composites of oxide samples – representative of ***~70% of resource.***
- ***Cobalt grade can also be enhanced*** by HMS process.





# Proposed Processing Flow Design



\* Comparable operation (with permission from Tiger Resources)

# Kalongwe Project – Key Fundamentals

## Kalongwe Cu-Co Scoping Study Parameters

Cu Metal Production Target	25ktpa
HMS Production Target	1.0Mtpa
Stage 1 - Mine Life	5.3 years
Mining Method	Open Pit
LOM Strip Ratio	1:1.52
Product	+20% Cu Concentrate
Access to Market	45km to Kolwezi
Assumed Cu price (US\$/lb)	\$3.00 (\$6,600/t)

**Project NPV**  
(@10% discount rate)  
(post tax/100% basis)

**US\$77.9M**

**Project IRR**  
(@10% discount rate)

**81%**

**Initial Capital Cost**

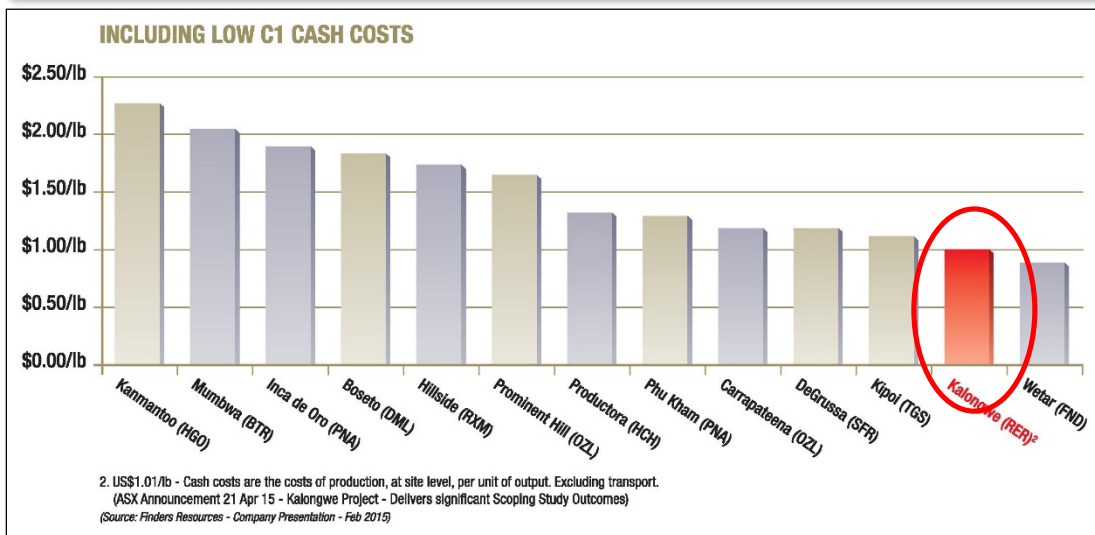
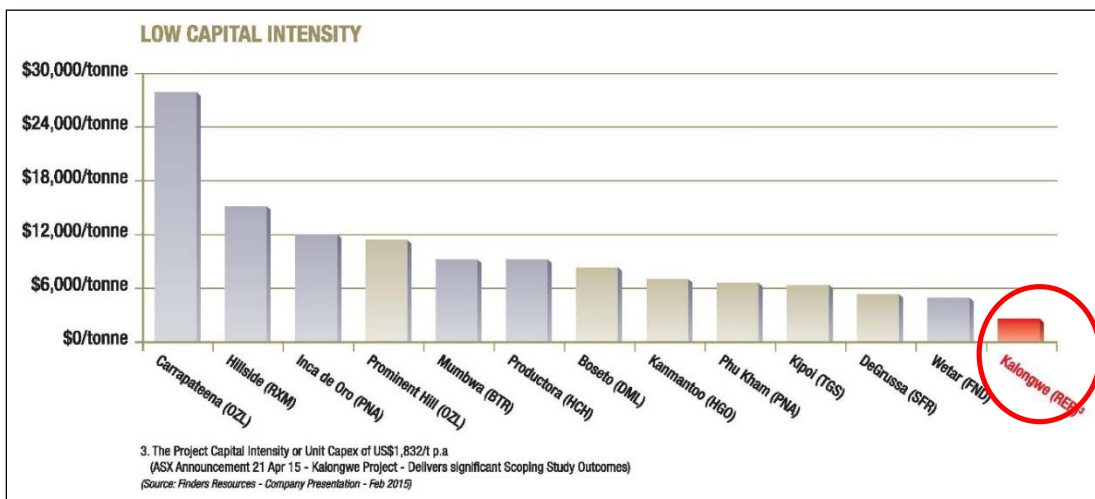
**US\$38.9M**

**Operating Cost**  
(excl. transport costs)

**US\$1.01/lb**



# Robust Economics – High Operating Margins



# Scoping Study Confirms Project Viability

## ***At Present:***

- ***Positive Scoping Study*** on what is likely the ***first stage of development at Kalongwe***.
- ***Robust Economics – based on Measured & Indicated*** JORC Mineral Resource Estimate
- ***Low CAPEX, OPEX*** and short payback period are the result of the high grade nature of the deposit.
- ***Open pit*** mining operation.
- ***Simple*** mining and beneficiation process.

## ***Going Forward:***

- ***Significant opportunities to further enhance the Project economics***.
- ***Potential Stage 2 SX-EW*** would provide opportunities to extend mine life.
- ***Planned work*** will include a number of technical studies to optimise the pit design and mining schedule and refine the processing flow sheet.
- ***Definitive Feasibility Study*** - Board will be seeking consent from its JV partners to complete.

*“... outcomes of the study greatly enhance the project’s economic and development potential...”*

# Kalongwe – Road Map to Production

*"A significant high-grade oxide Cu-Co near surface resource which has potential to be developed into a near term - low CAPEX mining operation."*

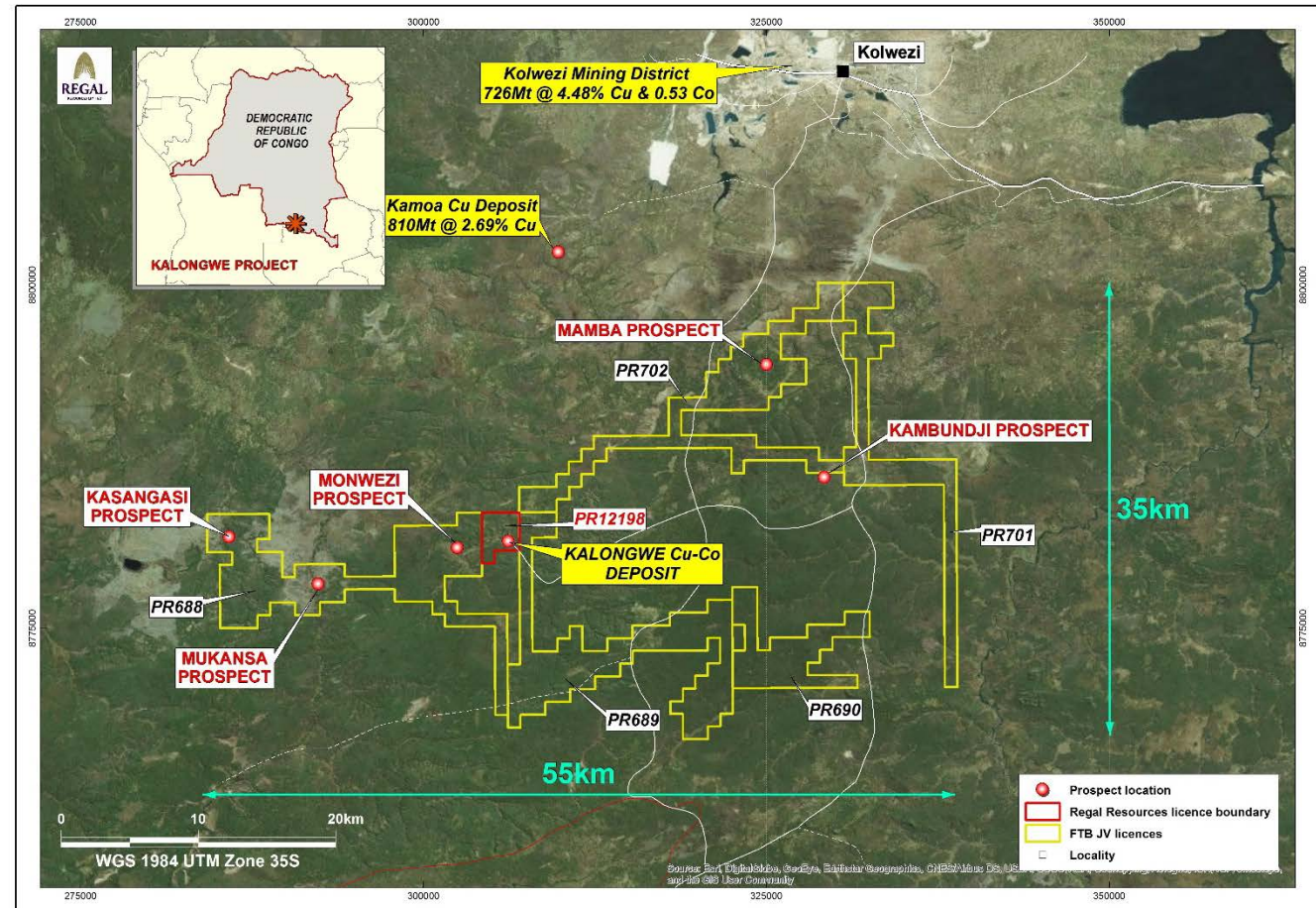


**LOW COST ENTRY TO NEAR TERM PRODUCTION**

# Growth Strategy: The Ivanhoe JV

*"The large tenement package is contiguous with RER's Kalongwe permit and hosts several targets on the prospective Mine Series rocks."*

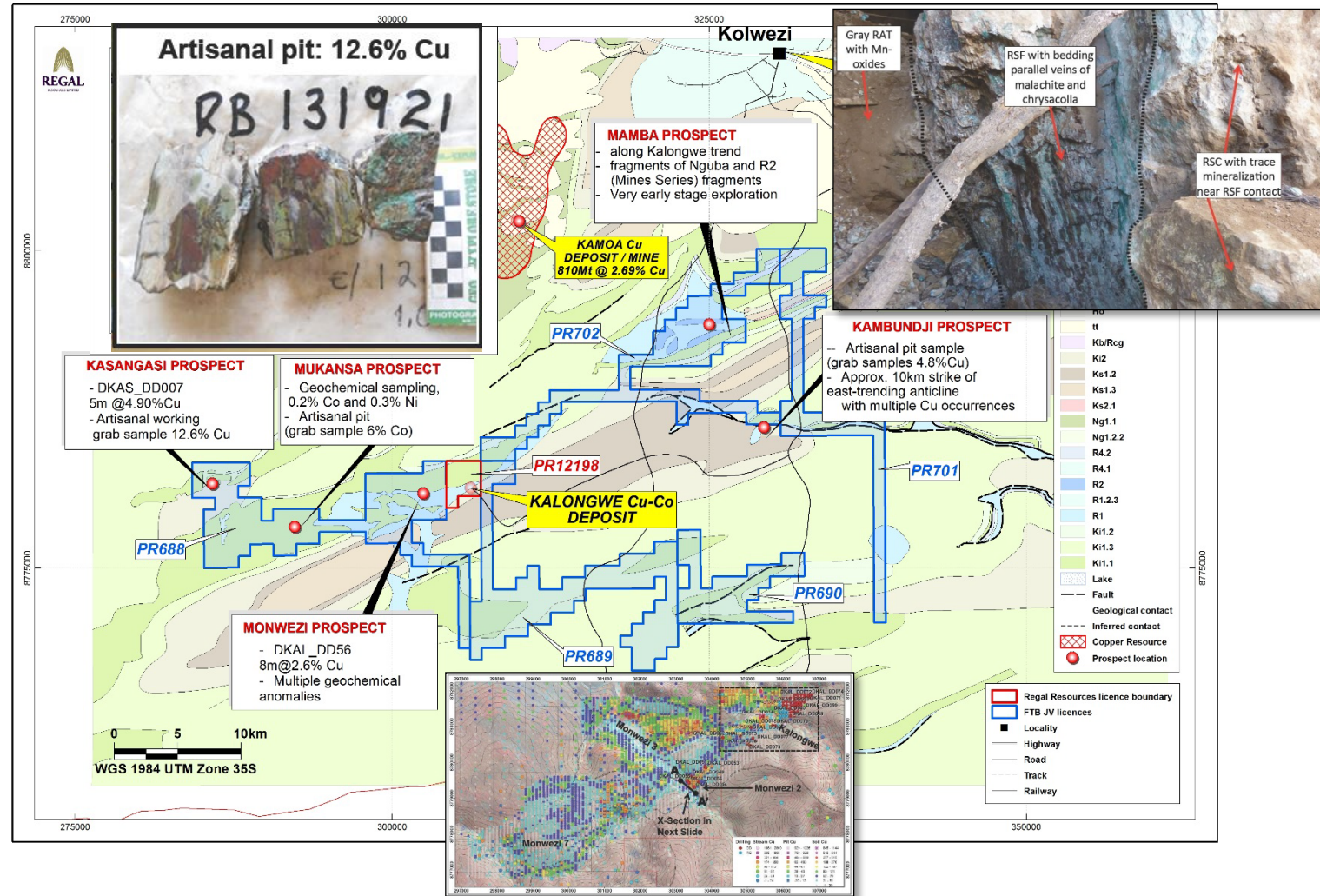
- Regal and Ivanhoe Mines signed JV.
- Regal has ability to acquire a 98% interest.
- Area of ~350km<sup>2</sup> in a highly prospective part of the western Katangan Copperbelt.
- Proximity to **World-Class mines** and deposits with historic production.
- Existing **infrastructure** development.





# Outstanding Regional Exploration Targets

- Acquired comprehensive **database** from Ivanhoe.
- Ivanhoe identified significant** geophysical and geochemical anomalies
- Targets include diamond drill results of up to 5m @ 4.9% Cu.**
- Rock chip samples of up to 6% Cu** and strong geochemical anomalies.
- Contains **strike extension** of structures/geology hosting **Kalongwe**.



# Compelling Investment Opportunity

<b>Quality Asset</b>	Robust high-grade Copper-Oxide, open-pitable resource.
<b>Near Term Production</b>	Aiming to be 25,000t Cu producer by 2017.
<b>Funding</b>	Arrangements in-place to completion of BFS (Tembo Capital).
<b>Stakeholders</b>	And supportive JV Partners and Shareholders (Tembo, Traxys, Sprott, Euroz, Ivanhoe Mines).
<b>Ownership</b>	Moving to direct 60% interest in Project plus option to move to 80%.
<b>Metallurgy</b>	Ore deposit suited to be processed by HMS, a proven and effective technology.
<b>Development</b>	For low CAPEX/OPEX early start-up mining operation.
<b>Exploration</b>	Upside within Project Area and new JV Area.
<b>Management</b>	With in-country experience and track record in DRC.
<b>Value</b>	Current share price represents under valuation of Company.

- Funds raised from major funds and brokers:
  - \$2.0M Sprott placement at 5 cents – Dec. 2014.
  - \$1.2M Tembo Tranche 1 placement at 5 cents – Feb. 2015.
  - \$5.1M Tembo Tranche 2 placement at 5.5 cents.
- \$1.5M convertible loan agreement with Tembo (May 2015) – ensure progress of Kalongwe DFS and advancement of Ivanhoe JV exploration programme.
- ***Strong cornerstone shareholder base provides basis for project financing:***



## Significant Shareholders

Name	Holding
Tembo Capital*	11.1%
Exploration Capital Partners**	10.7%
Leopard Titanium Limited	9.7%
The Paragon Fund	5.4%
Regal Directors	2.3%

\* Including Tranche 1 of the Tembo Share Placement.

\*\* Shares issued as part of the Sprott Share Placement.

## Capital Structure

Market Cap	\$13.02M @ 6.0c/share (as at 10 June 2015)
Cash	\$0.975M (as at 31 Mar. 2015)
Issued shares	217.0M* (incl. Tembo Tranche 1)
Options	86M @ \$0.08**
Fully diluted	302.9M (incl. Tembo Tranche 1)
Debt	\$0.5M
Enterprise value	\$7.8M

\* Afrimines Resources SPRL: To be issued 11.666M additional shares as deferred consideration on DRC Gold Assets.

\*\* Expiring between Oct. 2017 and Feb. 2018.

# The Team

## Proven record of exploration and development

Management	<b>David Young</b> <i>Managing Director</i>	<ul style="list-style-type: none"><li>• David has over 30 years experience in the global mining industry across the fields of exploration, feasibility and project development.</li><li>• Former CEO of Tiger Resources Limited. Has held senior exploration positions with major mining groups.</li></ul>
	<b>Ian Pamensky</b> <i>Co Sec / Financial &amp; Commercial Manager</i>	<ul style="list-style-type: none"><li>• Chartered Accountant with nearly 20 years experience in finance, accounting and company secretarial services to both public and private companies.</li><li>• He has spent a large amount of this time working within the resources sector.</li></ul>
Board of Directors	<b>Mark Savich</b> <i>Chairman</i>	<ul style="list-style-type: none"><li>• Mark has strong background in the technical and corporate aspects of resource companies, from explorers to producers.</li><li>• For last 8 years was a resources analyst and is currently a Director of Agrimin Limited.</li></ul>
	<b>Dr. Simon Dorling</b> <i>Technical Director</i>	<ul style="list-style-type: none"><li>• Simon is a geologist with over 20 years of industry experience.</li><li>• Has extensive specialist knowledge of the African Copperbelt, through his role as a Principal Consultant with CSA Global P/L.</li></ul>
	<b>Dr. Peter Ruxton</b> <i>Non-Executive Director</i>	<ul style="list-style-type: none"><li>• Peter is co-founder of Tembo Capital, a private equity, mining fund group, which specializes in investment in Africa and other Emerging Markets.</li><li>• Peter has a strong technical background having spent 35 years in the mining industry.</li></ul>



# Disclaimer & Competent Person Statement



**Disclaimer:** The purpose of this presentation is to provide background information to assist in obtaining a general understanding of the Company's proposals and objectives. This presentation may contain some references to forecasts, estimates, assumptions and other forward looking statements.

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All references to dollars (\$) and cents in this presentation are to Australian currency, unless otherwise stated.

**Competent Person Statement:** Scientific or technical information in this release has been prepared by Mr David Young and Dr Simon Dorling, the Company's Managing and Technical Directors. Mr David Young is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and Dr Simon Dorling are members of the Australasian Institute of Geoscientists (MAIG) and both have sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr David Young and Dr Simon Dorling consent to the inclusion in this report of the Information, in the form and context in which it appears.